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SUBJECT: U.S.-PAKISTAN STRATEGIC DIALOGUE DISCUSSES
SECURITY AND BORDER ISSUES

Classified By: SCA A/S RICHARD A. BOUCHER, FOR REASONS 1.4(B),(D)

¶1. (C) SUMMARY: Deputy Secretary Negroponte and Foreign Minister Qureshi hosted the third U.S.-Pakistan Strategic Dialogue on September 29 in Washington, D.C. Reftels describe sessions and economic and agriculture issues. On security cooperation, the delegations discussed in detail the Coalition Support Funds reimbursement process, status of the F-16s Mid-Life Update program, and U.N. 1267 holds and Pakistan concerns that draft language reflects badly on them. The Afghanistan-Pakistan border session addressed current counterinsurgency approaches in Bajaur Agency and elsewhere, the U.S. government's proposals for a Border Czar and Frontier Trust Fund, and the need for more resources for the U.S. Security Development Plan.

SECURITY COOPERATION

¶2. (C) For Coalition Support Funds, Deputy Assistant Secretary of Defense for Central Asia Bobby Wilkes described the current reimbursement process and pointed to increased scrutiny of the program from Congress. To reduce swings in cashflow and speed up the process, Department of Defense is developing improved guidance and will process payment packages once every two months. Wilkes told the Pakistanis to expect the new guidance within two weeks. He asked the Pakistanis to ensure claims are in order and that they respond promptly to requests for additional documentation. Foreign Minister Qureshi responded that Pakistan had no issue with increased scrutiny or a new format for claims, but stressed the need to avoid delays in payment.

¶3. (C) National Security Advisor Durrani added that, while the United States thought Pakistan needed to do more in counterterrorism, Pakistan felt it was doing more than enough. The U.S. and Pakistan needed to strengthen its ability to fight terrorism with necessary training and equipment. Durrani also asked that U.S. forces not cross the border into Pakistan - this was counterproductive, he said. He also said Pakistan and the U.S. needed to think about what happens in September 2009 (with the end of the Fiscal Year), when the \$300 million per year five-year presidential commitment of security assistance (i.e. Foreign Military Financing) will end.

¶4. (C) Wilkes described the recent negotiations with Congress regarding the use of Foreign Military Financing for the F-16 Mid-life Update program. Ambassador Husain Haqqani said that Pakistan had already submitted the request for Close Air Support training and wanted to expedite training. Assistant Secretary of State for Political-Military Affairs Mark Kimmitt said that Congress wanted assurance from Pakistan that it will resume the use of national funds for the F-16 Mid-life Update program beyond December 2009. Ambassador Haqqani said that Pakistan plans to use \$475 million in Foreign Military Financing and then \$415 million in national funds for the Mid-life Update program. He agreed that Pakistan would provide written assurance of their commitment to use national funds beyond December 2009.

¶5. (C) Assistant Secretary Richard Boucher added that the Administration will intensify its efforts to engage with Congress on the F-16s over the next two weeks. He also added

that Congress is interested in reforms within the Inter-Services Intelligence.

¶6. (C) Coordinator for Counterterrorism Dell Dailey highlighted three areas that Pakistan and the U.S. had focused on during the August 22 U.S.-Pakistan Counterterrorism Joint Working Group in Islamabad: establishing a channel for sharing best practices on combating foreign fighters; creating a U.S.-Pakistan small group on counterterrorism strategy; and increasing bioterrorism cooperation by convening a bioterrorism working group this year. Ambassador Dailey said he had agreed to meet with Interior Minister Malik every six months. Ambassador Dailey also voiced concern about Pakistan's opposition to certain UNSCR 1267 designations.

¶7. (C) Foreign Secretary Bashir stressed the importance of more communication between the Pakistan and U.S. delegations at the United Nations, especially on the topic of 1267. The Security Council needed to avoid language that put Pakistan in a bad light, and should instead highlight Pakistan's cooperation.

BORDER AND TRIBAL AREAS DEVELOPMENT

¶8. (S/NF) Turning to the frontier, the Pakistani delegation characterized the security situation in the Tribal Areas and the Northwest Frontier Province as a matter of critical concern. Durrani stated that Pakistan had a three-pronged approach to dealing with extremism along the border: 1) Political engagement with tribes ("but not the bad guys"), 2) Socio-economic development via Pakistan's Federally Administered Tribal Areas Sustainable Development Plan, and 3) Use of force when necessary "but no U.S. incursions." Describing the fighting in Bajaur Agency, Durrani acknowledged that to date Pakistan had not mounted an effective transition - as required by counterinsurgency doctrine - to aid the civilian population following military operations. Pakistan needed U.S. assistance and training in this regard, as well as precision military equipment, such as night vision goggles, to help limit collateral damage to civilian populations. Foreign Minister Qureshi added that Pakistan was committed to strengthening the weakened Malik system (a method of indirect governance through local tribal chiefs) through the resumption of the peace jirga with Afghanistan. He also referenced the historic importance of the Political Agent, and the need to empower them with resources to make them more effective.

¶9. (C) Assistant Secretary Boucher suggested a development-focused Border Czar to oversee a World Bank-administered Frontier Trust Fund. Boucher explained that to appeal to a wide range of international partners, the Frontier Trust Fund would encompass not just the Tribal Areas but all of the Northwest Frontier Province and parts of Baluchistan as well. The Pakistani delegation expressed skepticism on the Border Czar idea - citing concerns about conflicting authorities with the Northwest Frontier Province Governor, for example - but welcomed the creation of a Frontier Trust Fund. Ambassador Haqqani cautioned that Pakistan would have to finesse the labeling of this initiative, but also took the point that a single, high-level "problem-solver" would be needed for oversight of such a fund to provide accountability to donors. Ambassador Haqqani said that Pakistan would consider the concept and provide a plan to move forward.

¶10. (S/NF) Both sides described the U.S. Security Development Plan as positive yet insufficiently resourced. Durrani pledged Pakistan's support for the U.S. Training-of-Trainers for the Frontier Corps starting in Abbottabad in October. Due to the slow pace of construction, Durrani added he was doubtful that the more permanent training site at Warsak would be ready for the next iteration of training, scheduled in early 2009. Durrani thanked the U.S. for its support of Pakistan's special forces, but requested more training and equipment to improve Pakistan's capacity, specifically citing lift capability and intelligence sharing. On Border

Coordination Centers, Foreign Minister Qureshi confirmed that while Pakistan initially had reservations, it was now ready to collaborate further. Boucher asked if Pakistan had already identified sites for Border Coordination Centers planned within Pakistan, but received no firm response. Negroponte concluded by citing the need for the U.S. to transition from the current patchwork appropriations approach to funding the Security Development Plan in a more regular, predictable, and centralized way.

¶11. (C) Pakistan provided an update on its Federally Administered Tribal Areas Sustainable Development Plan, noting that funding allocated for projects within the Tribal Areas was nearly ten times higher than it had been ten years earlier. (COMMENT: This is a result of increased U.S. assistance.) U.S. Agency for International Development Deputy Administrator Jim Kunder spoke about the \$750 million, five-year U.S. development commitment to the Tribal Areas, the need for Pakistan to achieve greater civil-military coordination, and the critical importance of enhanced communications outreach, especially at the community level. The Pakistanis urged the US to provide more scholarships and exchange opportunities for the Tribal Areas, while expressing disappointment at the slow progress on passage of Reconstruction Opportunity Zone legislation.

¶12. (U) Participation: Both delegations featured senior-level representation from respective governments. Complete Dialogue participants are as follows:

U.S.:

John D. Negroponte, Deputy Secretary of State
Henrietta Fore, Administrator, U.S. Foreign Assistance,
Department of State
Reuben Jeffery, Under Secretary of State for Economic,
Energy, and Agricultural Affairs
Eric S. Edelman, Under Secretary of Defense for Policy
Jim Kunder, Acting Deputy Administrator, U.S. Agency for
International Development
Ross Kreamer, Acting Deputy Administrator, Foreign
Agriculture Service, U.S. Department of Agriculture
Richard Boucher, Assistant Secretary of State for South and
Central Asian Affairs
Mark Kimmitt, Assistant Secretary of State for
Political-Military Affairs
David F. Gordon, Director for Policy Planning, Department of
State
Dell Dailey, Coordinator for Counterterrorism, Department of
State
Richard Greene, Deputy Director, U.S. Foreign Assistance,
Department of State
Kathy Frederiksen, Principal Deputy Assistant Secretary for
Energy, International Policy
Mark Webber, Senior Director for South and Central Asian
Affairs, National Security Council
Mike Delaney, Assistant U.S. Trade Representative for South
Asia
Don Camp, Principal Deputy Assistant Secretary of State for
South and Central Asian Affairs
Mitch Shivers, Principal Deputy Assistant Secretary of
Defense for Asian and Pacific Security Affairs
Holly Vineyard, Principal Deputy Assistant Secretary for
Commerce
Bobby Wilkes, Deputy Assistant Secretary of Defense for
Central Asia
Bob Dohner, Deputy Assistant Secretary of Treasury for Asia
Anish Goel, Director for South Asia, National Security Council

Pakistan:

Makhdoom Shah Mahmood Qureshi, Foreign Minister
Mahmud Ali Durrani, National Security Advisor to the Prime
Minister
Salman Bashir, Foreign Secretary
Ambassador Husain Haqqani, Embassy of Pakistan, Washington,
D.C.
Muhammad Aslam Khan, Deputy Chief of Mission, Embassy of
Pakistan, Washington, D.C.
Attiya Mahmood, Additional Secretary for Americas, Ministry

of Foreign Affairs
Sohail Mehmood, Director General for Americas, Ministry of
Foreign Affairs
Shahid Hussain Raja, Additional Secretary of Food and
Agriculture
Zafar Altaf, Ministry of Food and Agriculture
Fayyaz Elahi, Managing Director, Private Power and
Infrastructure Board
Malik Zahoor Ahmed, Director General, National Animal and
Plant Health Inspection Services
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